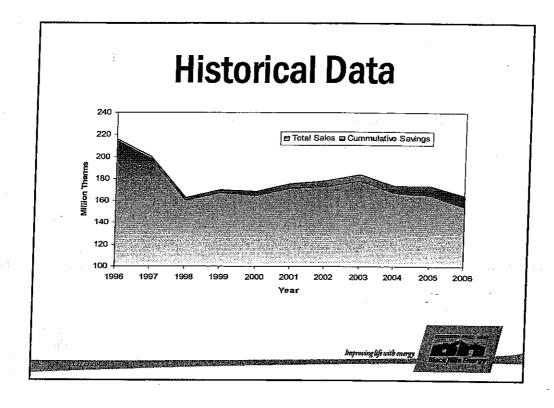


Black Hills Energy is committed to energy efficiency

2009 - 2013 Energy Efficiency Plan

- Comprehensive
- Innovative
- Additional savings opportunities





Energy Efficiency and the Regulatory Challenges Facing Gas Utilities

- There is general agreement that the current energy efficiency programs result in lower natural gas usage per customer.
- Reductions in natural gas usage have a significant financial impact on utilities (especially on gas-only utilities).
- As a matter of policy, Black Hills Energy would recommend that any consideration of increases in energy efficiency program spending should mitigate the related reduction in utility revenues.
- Black Hills Energy favors revenue stabilization through an innovative rate design, using concepts such as gas revenue decoupling.

Improving life with energy



Other Considerations

- Performance incentives
- Appliance standards
- Building code enforcement
- · Tax credits



QUESTIONS?

